



Electric Utility Commission
April 18, 2011 – 6:00 p.m.
Town Lake Center, Shudde Fath Conference Room
721 Barton Springs Road, Austin, Texas

AGENDA

Members:

Phillip Schmandt, Chair
Linda Shaw, Vice Chair
Gary “Bernie” Bernfeld

Shudde Fath
Stephen Smaha

Steve Taylor
Michael E. Webber

For more information, please visit: [City of Austin Boards and Commissions Information Center](http://www.ci.austin.tx.us/cityclerk/boards_commissions/boards/bid27.htm)

(www.ci.austin.tx.us/cityclerk/boards_commissions/boards/bid27.htm)

The Electric Utility Commission may go into a closed session, if necessary, under Chapter 551 of the Texas Government Code to discuss or take action on a "competitive matter" of Austin Energy as provided for under Section 551.086. [Reading and Action on Consent Agenda: Items 4-13 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commissioner.](#)

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1. **CALL TO ORDER**
 2. **APPROVAL OF MINUTES** - Approve minutes of the March 21, 2011 regular meeting.
 3. **CITIZEN COMMUNICATIONS: GENERAL**

NEW BUSINESS – CONSENT ITEMS

4. Authorize award, negotiation and execution of Amendment No. 1 to a contract with ALTIVIA CORPORATION, Houston, TX for the purchase of sodium hypochlorite for Austin Energy power plants, to exercise the first 12-month extension option in an estimated not to exceed \$33,470, with two additional 12-month extension options in an estimated amount not to exceed \$33,470 each, for a revised total estimated contract amount not to exceed \$167,350.
5. Authorize award and execution of a 24-month requirements service contract with ANCON SERVICE COMPANY, LaPorte, TX, for condenser tube cleaning services for Austin Energy in an estimated amount not to exceed \$162,906, with three 12-month extension options in an estimated amount not to exceed \$81,453 per extension option, for a total estimated contract amount not to exceed \$407,265.
6. Authorize award and execution of Amendment No. 4 to a contract with BABCOCK & WILCOX POWER GENERATION GROUP, INC., Hatfield, PA, for the maintenance and support of the Data Acquisition and Handling Systems (DAHS) associated with the continuous emissions monitoring systems at Decker Creek Power Station and Sand Hill Energy Center to exercise the second 12-month extension option in an estimated amount not to exceed \$47,177 and to add five additional 12-month extension options in an amount not to exceed \$33,062 per extension option for a revised total contract amount not to exceed \$264,834.
7. Authorize negotiation and execution of a contract with TRC ENVIRONMENTAL CORPORATION, Austin, Texas, or one of the other qualified offerors for RFP Solicitation No. CLMB301A, for the Reissue - Holly Street Power Plant Decommissioning Project for \$11,502,518, plus \$575,126 contingency, for a total not-to-exceed amount of \$12,077,644. (Related to Item 8.)

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. If requiring Sign Language Interpreters or alternative formats, please give notice at least three days before the meeting date. Please call Toye Goodson Collins at Austin Energy at (512) 322-6450 for additional information. TTY users route through Relay Texas at 711.

8. Approve an ordinance amending the Fiscal Year 2010-2011 Austin Energy Capital Budget of Ordinance No. 20100913-003 to increase appropriations by \$5,500,000 for the Holly Street Power Plant decommissioning costs and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget of Ordinance No. 20100913-002 to increase the Non-Fuel Operations and Maintenance by \$5,500,000 for the Holly Street Power Plant decommissioning account and decrease the Austin Energy Operating Fund ending balance by \$5,500,000. (Related to Item 7)
9. Authorize award and execution of a 12-month requirements supply contract with POWER SUPPLY, INC., Austin, TX for the purchase of 138 kV Potential Transformers for Austin Energy in an estimated amount not to exceed \$197,400, with four 12-month extension options in an estimated amount not to exceed \$197,400 per extension option, for a total estimated contract amount not to exceed \$987,000.
10. Authorize award, negotiation and execution of a contract with ALLKIOSK, Mesa, AZ for the purchase of two bill payment terminals for Austin Energy in an estimated amount not to exceed \$250,000.
11. Authorize award, negotiation and execution of Amendment No. 10 to a contract with IBM Corporation, Cleveland, OH, to increase the contract amount for the purchase of software, billing and related services for the City's utilities in an amount not to exceed \$4,600,000 for a revised total estimated contract amount not to exceed \$57,339,728.
12. Approve an ordinance authorizing acceptance of \$561,871 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through a Federal Assistance Sub-Recipient Agreement between Chrysler Group LLC and Austin Energy, and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$561,871 for research and testing of Plug-In Electric Vehicles.
13. Approve issuance of a rebate to Samsung Austin Semiconductor for the installation of energy efficient equipment in an amount not to exceed \$200,000.

OLD BUSINESS

14. Discussion and Possible Action regarding an ordinance amending Chapter 6-7 of the City Code relating to Energy Conservation Audit and Disclosure requirements.
15. Discussion and Possible Action regarding Austin Energy's Rate Redesign Process, including consideration of a resolution detailing the rate review process and rescinding the Probability of Dispatch Resolution.

STAFF REPORTS AND BRIEFINGS

16. Monthly Financial Report
17. **EXECUTIVE SESSION** – Public Power Utility Competitive Matters, Section 551.086; Discuss matters relating to Austin Energy's Fuel Hedging Program.
18. **FUTURE AGENDA ITEMS** – Request agenda items, including briefings related to the Upcoming Procurements Report.

19. ADJOURNMENT

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**ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
MARCH 21, 2011**

The Electric Utility Commission (EUC) convened in a regular meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Phillip Schmandt, Chair, called the meeting to order at 6:00 p.m. Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Shudde Fath, Stephen Smaha, and Steve Taylor. Dr. Michael E. Webber was absent.

Staff in attendance: Larry Weis, Cheryl Mele, Elaine Hart, Jackie Sargent, David Wood, J.J. Gutierrez, Karl Rabago, Ann Little, Mark Dreyfus, Pat Alba, David Kutach, Fred Yebra, Jim Collins, Rosemary Ledesma, Shawn Harris, Jerry Hernandez, Stephen Leinweber, Steve Saenz, Laura Lee Franks, Elaine Kelly-Diaz, Steve Machicek, Tim Arndt, Chris Smith, Drusilla Saenz, Eddie Washington, Lynda Williams, and Toye Goodson Collins.

2. **APPROVAL OF MINUTES** - Approve minutes of the February 28, 2010 regular meeting. **Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Fath, passed on a vote of 6-0.**
3. **CITIZEN COMMUNICATIONS** – John Sutton of the Building Owners and Managers Association (BOMA) spoke in support of Item 8, amendments to the Energy Conservation and Disclosure (ECAD) ordinance. Earl Hairston of the Austin Board of Realtors (ABoR) supported amendments with changes.

NEW BUSINESS

4. Recommend approval of an ordinance authorizing acceptance of \$2,121,100 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through the Texas Department of Housing and Community Affairs (TDHCA) as the administering agency, and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$2,121,100 for weatherization of homes for low-income, elderly, and disabled customers within Austin Energy’s service area. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**
5. Recommend authorization to award and execute Amendment No. 3 to six requirements service contracts with AIRTECH ENERGY SYSTEMS, INC., Austin, TX; CLIMATE MECHANICAL, INC., Austin, TX; GO GREEN SQUADS LLC, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; VALDEZ REMODELING & WEATHERIZATION, INC., Austin, TX; and WEATHERIZATION MANAGEMENT GROUP, Dallas, TX, to increase the contract for weatherization measures and improvement services in an estimated combined amount not to exceed \$1,652,000, for a revised estimated combined contract amount not to exceed \$6,477,490. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**
6. Recommend authorization to award and execute Amendment No. 3 to nine requirements service contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX;

AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; CITY CONSERVATION, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX, to increase the contract for weatherization test in audit services in an estimated combined amount not to exceed \$275,349, for a revised estimated combined contract amount not to exceed \$778,349. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**

7. Recommend authorization to award and execute Amendment No. 2 to nine requirements service contracts with A-PLUS ENERGY MANAGEMENT & A/C, Austin, TX; AMERICAN CONSERVATION & AIR, Austin, TX; APPLE ENERGY GROUP, LLC, Austin, TX; ATS ENGINEERING & INSPECTORS, Austin, TX; CITY CONSERVATION, Austin, TX; MCCULLOUGH HEATING & AIR CONDITIONING, INC., Austin, TX; STANDARD RENEWABLE ENERGY, Austin, TX; THE INSTITUTE FOR BUILDING TECHNOLOGY AND SAFETY, Herndon, VA; and THE NELROD COMPANY, Fort Worth, TX, to increase the contract for weatherization final inspection audit services in an estimated combined amount not to exceed \$178,000, for a revised estimated combined contract amount not to exceed \$428,000. **Motion to approve by Commissioner Taylor, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
8. Recommend approval of an ordinance amending Chapter 6-7 of the City Code relating to Energy Conservation Audit and Disclosure requirements. **Motion to approve, with changes to Section 6-7-12, by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 5-1 with Commissioner Smaha voting no. The changes were as follows:**
§ 6-7-12 DISCLOSURE REQUIRED.
 The owner of a residential facility must provide a copy of the energy audit required under this article to the purchaser or prospective purchaser of the facility:
 - (1) if the contract for the sale of the facility provides an option period during which the prospective purchaser may terminate the contract for any reason, no later than 3 days prior to the termination of the option period; or
 - (2) if the contract for the sale of the facility does not provide for an option period during which the prospective purchaser may terminate the contract for any reason:
 - (a) concurrent with the seller's disclosure notice required under state law; or
 - (b) if no seller's disclosure notice is required under state law, before the time of sale-and the person performing the audit must provide a copy of the energy audit to the director not later than 30 days after the audit is complete.
9. Recommend approval of a rebate to Dell Computers, Inc. for the installation of energy efficient equipment in an amount not to exceed \$92,853. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**
10. Recommend authorization to negotiate and execute Work Component Amendment No. A-1 to the Construction Manager at Risk Agreement with DPR Construction, Inc., Austin, TX for a Partial Guaranteed Maximum Price of \$2,093,490 for both Work Component No. 01 - Demolition and Work Component No. 02 - Site Facilitization for the construction of the Austin Energy System Control Center, plus a contingency in the amount of \$46,000, for a total not-to-exceed authorization amount of \$2,139,490. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**

11. Recommend authorization to award and execute a 12-month requirements supply contract with KBS ELECTRICAL DISTRIBUTORS, INC., Austin, TX for the purchase of station class surge arresters for Austin Energy in an estimated amount not to exceed \$120,000, with four 12-month extension options in an estimated amount not to exceed \$120,000 per extension option, for a total estimated contract amount not to exceed \$600,000. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**
12. Recommend authorization to award and execute Amendment No.1 to a requirements service contract with COMPUTER SCIENCE CORPORATION, Houston, TX to increase the contract amount for the purchase of software technology and implementation services including training in an amount not to exceed \$600,000, for a revised estimated contract amount not to exceed \$2,400,000. **Motion to approve by Commissioner Taylor, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
13. Recommend authorization to award and execute Amendment No. 1 to a requirements supply contract with TEXAS DIGITAL SYSTEMS, INC., College Station, TX to increase the contract amount for the expansion of information delivery services for the new City of Austin/Austin Energy Walk-in Customer Service Center, including the purchase of monitors, software, installation, annual maintenance and support, and implementation in an estimated amount not to exceed \$54,000 for the current contract period, and in an estimated amount not to exceed \$3,000 for each of the three 12-month extension options, for a total estimated contract amount not exceed \$292,401. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**
14. Recommend authorization to award, negotiate, and execute a 12-month contract with SOLAR TURBINES INC, Houston, TX for an annual maintenance agreement for the gas turbine at Mueller Energy Center in an amount not to exceed \$139,816, with four 12-month extension options in an estimated amount not to exceed \$121,096 per extension option, for a total estimated contract amount not to exceed \$624,200. **Motion to approve on consent by Commissioner Smaha, seconded by Commissioner Taylor, passed on a vote of 6-0.**

STAFF REPORTS AND BRIEFINGS

15. Monthly Financial Report by Steve Machicek, Director, Corporate Accounting and Rates.
16. Briefing on the Clean Energy Accelerator (U.S. Department of Energy "BetterBuildings" Program) by Karl Rabago, Vice President, Distributed Energy Services.
17. Monthly Update on the Rate Redesign Process by Larry Weis, General Manager; Mark Dreyfus, Director, Regulatory & Government Affairs; and Ann Little, Vice President, Finance & Corporate Services. Commissioners requested the list of motions made by the Commission in 1994 during the last rate review. Commissioners also requested recommendations from three entities—the Residential Rate Advisor, large commercial and industrial customers, and Austin Energy staff—before their deliberations on rates begin.
18. **FUTURE AGENDA ITEMS** – Commissioner Smaha asked whether state budget cuts in air quality funding would affect Austin Energy’s air quality initiatives at power plants. Commissioner Taylor requested an update on the biomass and Webberville solar projects.
19. **ADJOURNMENT** – Chair Schmandt adjourned the meeting at 8:27 p.m. without objection.

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: ALTIVIA CORPORATION**

AGENDA DATE: 05/26/11

SUBJECT: Authorize award, negotiation and execution of Amendment No. 1 to a contract with **ALTIVIA CORPORATION**, Houston, TX for the purchase of sodium hypochlorite for Austin Energy power plants, to exercise the first 12-month extension option in an estimated not to exceed \$33,470, with two additional 12-month extension options in an estimated amount not to exceed \$33,470 each, for a revised total estimated contract amount not to exceed \$167,350.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$11,156.66 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining eight months of the contract period and extension options is contingent upon funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on April 18, 2011.

PURCHASING: Contract Amendment.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

FOR MORE INFORMATION CONTACT: Dolores Castillo, Sr. Buyer/322-6466

This contract is for the supply of sodium hypochlorite (bleach) used to treat and sanitize water at the Decker Creek Power Station and the Sand Hill Energy Center. Decker Creek utilizes sodium hypochlorite in the ultra filters used to condition the lake water for use by the power plant. At the Sand Hill Energy Center, the sodium hypochlorite is used to treat the water in the circulating/cooling systems by eliminating algae and microbiological buildup in the cooling towers which could impact efficiency.

This contract was competitively bid and awarded in 2009. This recommendation for Council action is to approve Amendment No. 1 and authorize award of the first 12-month extension option in an estimated amount not to exceed \$33,470, with two remaining 12-month extension options in an estimated amount not to exceed \$33,470 each, and a final estimated contract value not to exceed \$167,350.

Contract Summary

Action	Description	Amount
Original Contract awarded 04/03/09	Original 24-month contract	\$ 66,940.00
Proposed Amendment No. 1	Approve award of the first 12-month extension option and the remaining two additional extension options	\$ 100,410.00
Total Revised Contract Amount		\$ 167,350.00

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: ANCON SERVICE CO.**

AGENDA DATE: 05/12/2011

SUBJECT: Authorize award and execution of a 24-month requirements service contract with **ANCON SERVICE COMPANY**, LaPorte, TX, for condenser tube cleaning services for Austin Energy in an estimated amount not to exceed \$162,906, with three 12-month extension options in an estimated amount not to exceed \$81,453 per extension option, for a total estimated contract amount not to exceed \$407,265.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$27,151 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining eight months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

FOR MORE INFORMATION CONTACT: Dolores Castillo, Sr. Buyer/512-322-6466

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on April 18, 2011.

PURCHASING: Lowest bid of four bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract will provide for labor, supervision, tools and cleaning equipment to perform the cleaning of condenser tubes and tube sheets on an as needed basis at Decker Creek Power Station and Sand Hill Energy Center. Condenser tubes are used at these Austin Energy power plants to condense the exhaust steam from the steam turbines in order to obtain maximum efficiency and also to convert the turbine exhaust steam into pure water which can then be reused in the boiler. Services provided under this contract will include utilizing hydro-blast cleaning equipment to remove all unwanted foreign biological and scale build-up material and debris from condenser tubes and tube sheets, and return the tubes and tube sheets, when economically feasible, to original equipment manufacturers specifications. The removal of the scale build-up and debris is necessary because such build up can greatly reduce the effectiveness and efficiency of the condenser tubes as well as lead to corrosion of the tubes.

MBE/ WBE Solicited: 7/5

MBE/WBE Bid: 0/0

BID TABULATION

IFB No. DKC0077

(3- line items)

<u>Vendor</u>	<u>Total bid for 24 months</u>
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Ancon Service Co.	\$162,906.00
LaPorte, Texas	

W-S Industrial Srv., Inc.	\$207,490.80
Council Bluffs, IA	

Veolia ES Industrial Srv.	\$324,097.20
Rockdale, TX	

Clean Harbors Indust. Srv.	\$1,048,448.96
Houston, TX	

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred forty-one notices were sent including seven MBEs and five WBEs. Four bids were received, with no responses from the MBE/WBEs.
- c. The pricing offered represents a 6% increase to the last contract award made in November 2007.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Ancon Service Co. is not the current supplier of this service.
- b. The Purchasing office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: BABCOCK & WILCOX PPG**

AGENDA DATE: 05/26/11

SUBJECT: Authorize award and execution of Amendment No. 4 to a contract with **BABCOCK & WILCOX POWER GENERATION GROUP, INC.**, Hatfield, PA, for the maintenance and support of the Data Acquisition and Handling Systems (DAHS) associated with the continuous emissions monitoring systems at Decker Creek Power Station and Sand Hill Energy Center to exercise the second 12-month extension option in an estimated amount not to exceed \$47,177 and to add five additional 12-month extension options in an amount not to exceed \$33,062 per extension option for a revised total contract amount not to exceed \$264,834.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$15,726 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 04/18/2011

PURCHASING: Contract Amendment

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

FOR MORE INFORMATION CONTACT: Dolores Castillo, Sr. Buyer/322-6466

This contract is for continued maintenance and support of the Data Acquisition and Handling Systems (DAHS) for Austin Energy's (AE) continuous emissions monitoring systems at the Decker Creek Power Station and Sand Hill Energy Center. This software is a proprietary program which was configured specifically for these Austin Energy plants. This software allows staff to monitor and generate environmental compliance reports to meet Environmental Protection Agency (EPA) requirements. The support includes software updates, modifications, and fixes as well as the ability to make changes to the configuration which may be required by regulatory agencies.

This contract was awarded in 2009 as a sole source purchase. Amendment No. 1 was issued in February, 2010 for \$27,177 for the first extension period. This Recommendation for Council Action is to approve Amendment No. 4 and authorize award of the next 12-month extension option in an estimated amount not to exceed \$47,177 which includes an additional \$20,000 in funding for system modifications needed to comply with new permit requirements and to add an additional five 12-month extension options in an estimated amount not to exceed \$33,062 each.

Babcock & Wilcox PPG is the sole provider of support and maintenance for this proprietary software and they have no authorized providers for the service.

Contract Summary

Action	Description	Amount
Original Contract awarded 02/01/2009	Original 12-month contract	\$ 25,170.00
Amendment No. 1	Exercise the first 12-month extension option and increase contract by \$2,007 for additional controllers	\$ 27,177.00
Amendment No. 2	Vendor name change/Assignment	\$ 0.00
Amendment No. 3	Contract Holdover	\$ 0.00
Proposed Amendment No. 4	Approve award of the second 12-month extension option for modifications needed to comply with new permit requirements and approve the addition of five 12-month extension options	\$ 212,487.00
Total Revised Contract Amount		\$ 264,834.00

**CITY OF AUSTIN – CONTRACT & LAND MGMT DEPT
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 05/12/2011

SUBJECT: Authorize negotiation and execution of a contract with TRC ENVIRONMENTAL CORPORATION, Austin, Texas, or one of the other qualified offerors for RFP Solicitation No. CLMB301A, for the Reissue - Holly Street Power Plant Decommissioning Project for \$11,502,518, plus \$575,126 contingency, for a total not-to-exceed amount of \$12,077,644.

AMOUNT & SOURCE OF FUNDING: Funding is available in the 2010-2011 Capital Budget of Austin Energy.

FISCAL NOTE: A fiscal note is required.

FOR MORE INFORMATION CONTACT: Rose San Miguel 322-6260, Rolando Fernandez 974-7749, April Shaw 974-7141.

PRIOR COUNCIL ACTION: September 24, 2009 - Authorized the use of Competitive Sealed Proposal Alternative Project Delivery Method.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on April 18, 2011.

PURCHASING: Best Value to the City of Austin of four proposals received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9A of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with African American 2.15%; Hispanic 25.62%; Native/Asian 3.12%; and 3.81% WBE subcontractor participation.

The retirement of the Holly Street Power Plant met goals set by the City Council and Austin Energy in the early 1990's to retire the plant at the earliest practical date, due to its location within a residential neighborhood that has increased in density over the 47-year life of the facility. Holly's four generating units were constructed between 1960 and 1974. Holly Units 1 and 2 ceased operations in October 2004 and Units 3 and 4 ceased operations in September 2007. Regular communications with neighborhood representatives and the Holly neighborhood at large continue to provide information on the progress of this project through the use of monthly newsletters and meetings.

The decommissioning project consists of specialized construction services necessary for the deconstruction of an electrical power production facility, including but not limited to construction of a temporary road to facilitate removal of materials and equipment from the plant site, skilled labor and heavy equipment as required for the demolition and/or removal of equipment, tanks, boilers, structural steel and associated buildings. The services are to be provided by a duly qualified and experienced contractor offering best value to the City.

A five percent (5%) contingency is being requested for any unforeseen circumstances during decommissioning and will also allow for expeditious processing of change orders, if required.

The Holly Street Power Plant Decommissioning Project was issued as Competitive Sealed Proposal procurement. Local Government Code Chapter 271, Subchapter H, Section. 271.116, provides for governmental entities to first attempt to negotiate a contract with the top-ranked firm who is determined to be the best value to the governmental entity. Pursuant to Statute, the “best value” determination shall be on weighted criterion and may include, but is not limited to, price, reputation, quality of product, past relationship with the governmental entity, total long-term cost to require goods or services, compliance with the historically underutilized business programs, and other relevant factors. In order to establish a level playing field for all prospective Offerors, the solicitation must contain the evaluation criteria factors and relative weights. The statute goes on to state that if negotiations with the top-ranked firm are unsuccessful, the governmental entity shall end those negotiations and proceed to negotiate with the next contractor in the order of selection ranking. Council’s authorization of this request allows for such negotiations. If negotiations are required with the next contractor in the order of selection ranking, staff will return to Council prior to contract execution.

The Holly Street Power Plant Decommissioning project included fourteen evaluation criteria factors with weights ranging from five points to a maximum of 25 points. Of the 14 evaluation criteria items, the three which had the greatest maximum points are: “Price” valued at a maximum of 25 points; “Comparable Project Experience” valued at a maximum of 25 points; and “Team Structure, Work Approach and Delivery Schedule” valued at a maximum 25 points. These criteria factors with the larger weights applied indicate criticality and importance of those elements.

Notification of issuance of a Request for Competitive Sealed Proposals (RFP) for the subject services was issued on January 31, 2011. Eighteen contractors who identified themselves as Prime Contractors obtained solicitation packets and on March 14, 2011, four proposals were received. None of the four contractors who submitted proposals are certified MBE/WBE firms.

TOP RANKED FIRM: TRC Environmental Corporation, Austin, TX

SECOND RANKED FIRM: Dixie Demolition, LLC, Birmingham, AL

Participation goals stated in the solicitation were: African American 1.15%; Hispanic 3.58%; Native/Asian 0.90%; and 1.26% WBE subcontractor participation. The top ranked and second ranked Contractors provided an MBE/WBE Compliance Plan that met the goals of the solicitation and were approved by the Small and Minority Business Resources Department.

TOP RANKED CONTRACTOR: TRC Environmental Corporation - Total Participation:

TOTAL – NON MBE/WBE PRIME	41.16%
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TRC Environmental Corporation, Austin, TX	41.16%
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MBE TOTAL – SUBCONTRACTORS	30.89%
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African American Subtotal	2.15%
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(MB) All Points Inspection Services, Inc., Austin, TX (photography, construction)	0.10%
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(MB) Business Resource Consultants, Austin, TX (minority and small business consulting, administrative services)	1.65%
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(MB) CADman Design & Building Group, Cedar Park, TX (computer aided design services, minority and small business consulting)	0.40%
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Hispanic Subtotal	25.62%
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(MH) Central Road and Utility Ltd., Austin, TX (water mains, manholes, construction sidewalk and driveway)	17.02%
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(MH) Viking Fence Company, Ltd., Austin, TX (fencing wire, chain link)	1.06%
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(MH) MG Limon Corporation, Del Valle, TX (hauling services)	7.54%
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Native/Asian Subtotal	3.12%
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(MA) DHL Analytical, Inc., Round Rock, TX (laboratory and field testing services, laboratory for hazardous waste)	0.28%
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(MA) CAS Consulting & Services, Inc. (transportation consulting, environmental consulting)	2.10%
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(MA) Mehta West Brashear Group, LLC dba JQ Infrastructure (buildings, structures, components consulting)	0.74%
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WBE TOTAL – SUBCONTRACTORS	3.80%
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(FH) Macias & Associates, L.P., Austin, TX (survey; not aerial or research)	0.65%
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(FW) Margaret Ambrosino dba Brown and Green Tree Care and Consulting Co., Austin, TX (landscaping; including design, fertilizing, planting)	0.11%
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(FH) EQ Consultants Group Austin, TX (communications; public relations consulting)	1.95%
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(FW) Energy Renewal Partners, LLC, Austin, TX (environmental consulting, consulting services)	0.74%
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(FW) Liquid Waste Solutions, LLC, Austin, TX (portable toilets)	0.08%
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(FW) ABC Erosion Control, Inc., Leander, TX (stone, filter, for drainage and erosion control, landscaping, erosion control)	0.20%
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(FW) Industrial Asphalt, Inc., Austin, TX (asphalt patch material)	0.07%
--------------------------------------------------------------------	-------

NON M/WBE TOTAL – SUBCONTRACTORS	24.15%
-----------------------------------------	---------------

LVI Facility Services, Inc., Houston, TX (asbestos maintenance, demolition services)	21.21%
--------------------------------------------------------------------------------------	--------

Highway Technologies, Inc., Austin, TX (barricades, traffic, portable)	0.88%
------------------------------------------------------------------------	-------

Vibra-Tech Engineers, Inc., Austin, TX (vibration detecting and equipment)	0.56%
----------------------------------------------------------------------------	-------

US Security Associates, Inc., Austin, TX (security guards)	1.38%
------------------------------------------------------------	-------

Asphalt Paving Company of Austin, Buda, TX (construction, highway & road)	0.12%
---------------------------------------------------------------------------	-------

SECOND RANKED CONTRACTOR: Dixie Demolition, LLC - Total Participation:

TOTAL – NON MBE/WBE PRIME	34.73%
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Dixie Demolition, LLC, Birmingham, AL	34.73%
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MBE TOTAL – SUBCONTRACTORS	41.21%
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African American Subtotal	13.57%
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(FB) Aleon Properties, Inc., Austin, TX (training)	2.00%
----------------------------------------------------	-------

(FB) All Points Inspection Services, Austin, TX (construction photography)	0.08%
----------------------------------------------------------------------------	-------

(MB) Austex Tree Service, Inc., Round Rock, TX	0.97%
------------------------------------------------	-------

(erosion control, vegetation stabilization, tree protection)

(FB) Haynes-Eaglin-Waters, Austin, TX	5.93%
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(construction mgmt., QA/QC, demolition services)

(MB) J. Harper Construction Company, Inc., Austin, TX	0.50%
-------------------------------------------------------	-------

(asphalt pavers maintenance and repair)

(MB) Triad Building Maintenance, Inc., Austin, TX	4.09%
---------------------------------------------------	-------

(environmental consulting, conservation, resource mgmt/temp workers recycling, portable toilets)

Hispanic Subtotal	24.90%
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(MH) Advance Wireless Solutions, Austin, TX (cabling and electrical)	0.94%
----------------------------------------------------------------------	-------

(MH) Allied Fence Company, Austin, TX (pipe, wire, windscreen, fencing)	0.27%
-------------------------------------------------------------------------	-------

(MH) Benitez Construction, Inc, Austin, TX (pipes, concrete, sewers)	12.69%
----------------------------------------------------------------------	--------

(FH) Central Texas Barricade, Inc., Bastrop, TX (barricades)	0.64%
--------------------------------------------------------------	-------

(FH) Estilo Communications, Inc., Austin, TX (public relations consulting)	0.27%
----------------------------------------------------------------------------	-------

(MH) Easy Drive Stake, Inc., Austin, TX (sidewalk barricades)	0.04%
---------------------------------------------------------------	-------

(MH) Macias & Associates, LP, Austin, TX (surveyors)	0.50%
------------------------------------------------------	-------

(MH) Sentry Security & Investigations, L.P., Austin, TX (guard and security services)	1.40%
---------------------------------------------------------------------------------------	-------

(FH) Travis Paving & Excavating, Bastrop, TX (paving, resurfacing, parking lot)	2.02%
---------------------------------------------------------------------------------	-------

(MH) Chino's Trucking, Austin, TX (hauling)	6.13%
---------------------------------------------	-------

Native/Asian Subtotal	2.74%
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(MA) BenQwest, LLC, Austin, TX (fuels)	2.46%
----------------------------------------	-------

(MA) DHL Analytical, Inc., Round Rock, TX	0.28%
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WBE TOTAL – SUBCONTRACTORS	2.48%
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(FW) Cox/McLain Environmental Consulting, Austin, TX	2.48%
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(environmental consulting)

NON M/WBE TOTAL – SUBCONTRACTORS	21.58%
-----------------------------------------	---------------

Consolidated Crane, Houston, TX (crane/crane operator)	4.76%
--------------------------------------------------------	-------

Gruene Environmental, New Braunfels, TX (fluids removal, pcb batement)	3.67%
------------------------------------------------------------------------	-------

JTB Environmental, Houston, TX (environmental remediation, abatement)	12.54%
-----------------------------------------------------------------------	--------

Terracon Consultants, Inc., Austin, TX	0.61%
----------------------------------------	-------

(OSHA personnel monitoring, noise-dust monitoring)

Composite

Received: March 14, 2011

Project: Reissue - Holly Street Power Plant Decommissioning Project

EVALUATION MATRIX

Project Manager: Rose San Miguel

Firm (or Joint Venture)	Item 3 [Yes or No] Offeror Meets MBE/WBE Goals or G.F.E.	Item 4 [Yes or No] Safety	Item 5 [Yes or No] Offeror's Financial Stability	Item 6 [25] Price	Item 7 [25] Offeror's Comparable Project Experience	Item 8 [5] Offeror's Past Relationship with the City	Item 9 [25] Team's Structure, Work Approach & Delivery Schedule	Item 10 [5] Implementation of Sustainable Processes	Item 11 [5] Team Experience with Austin Issues	Item 12 [5] Team's Local Business Presence	Item 13 [5] Outreach Approach	[100] SUB TOTAL	Item 15 [10] Interview	[110] TOTAL POINTS
TRC Environmental Corp.	Y	Y	Y	25.00	21.67	4.22	21.83	4.83	4.33	3.00	4.50	89.38		89.38
Dixie Demolition	Y	Y	Y	19.20	19.50	3.00	20.33	4.83	4.17	2.00	4.33	77.37		77.37
URS Corporation	Y	Y	Y	18.14	19.67	4.56	18.67	4.50	4.50	1.00	4.08	75.11		75.11
NCM Demolition and Remediation, L.P.	Y	Y	Y	23.37	17.17	3.00	16.83	3.50	3.50	1.00	3.00	71.37		71.37

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 05/12/2011**

SUBJECT: Approve an ordinance amending the Fiscal Year 2010-2011 Austin Energy Capital Budget of Ordinance No. 20100913-003 to increase appropriations by \$5,500,000 for the Holly Street Power Plant decommissioning costs and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget of Ordinance No. 20100913-002 to increase the Non-Fuel Operations and Maintenance by \$5,500,000 for the Holly Street Power Plant decommissioning account and decrease the Austin Energy Operating Fund ending balance by \$5,500,000.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$5,500,000 is available from the ending balance of the Austin Energy Operating Fund.

FISCAL NOTE: A Fiscal Note is required.

FOR MORE INFORMATION CONTACT: Elaine Hart, CPA, Sr. Vice President Finance & Corporate Services/ 322-6558, Rose San Miguel, Project Manager/ 322-6260

PRIOR COUNCIL ACTION: September 13, 2010 – Approved Budget Ordinance 20100913-002 and 20100913-003.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission 04/18/2011.

RELATED ITEMS: This budget amendment is related to another Council agenda item that requests authorization to negotiate and execute a contract to provide services for decommissioning the Holly Street Power Plant.

Austin Energy is seeking approval of this budget amendment to provide additional appropriations and related funding sources for decommissioning the Holly Street Power Plant.

Holly Street Power Plant – Austin Energy (AE) owns a 570 megawatt (MW) natural gas fired power plant, known as Holly Street Power Plant (Holly), which began operations between 1960 and 1974. Holly is sited in a neighborhood near downtown on Lady Bird Lake in Austin, Texas. Resolutions to close Holly were approved by Council in July 2002 and November 2003. In accordance with these resolutions, power production operations ceased at Holly Units 1 and 2 in October 2004 and Units 3 and 4 in September 2007. The plant's final decommissioning work or deconstruction is to begin in mid 2011.

Appropriation – Austin Energy is seeking authorization to amend the Fiscal Year 2010-2011 Austin Energy Capital Budget of Ordinance No. 20100913-003 to increase appropriations by \$5,500,000 for the Holly Street Power Plant decommissioning costs. This budget amendment is related to another Council agenda item that requests authorization to negotiate and execute a contract to provide services for the decommissioning of the Holly Street Power Plant.

Funding Source for the Appropriation - Austin Energy is also seeking authorization to amend the Fiscal Year 2010-2011 Austin Energy Operating Budget of Ordinance No. 20100913-002 to increase Non-Fuel Operations and Maintenance by \$5,500,000 for the Holly Street Power Plant decommissioning account and decrease the Austin Energy Operating Fund ending balance by \$5,500,000. This additional funding of the Holly Street Power Plant decommissioning account will add the funding sources needed for the additional appropriations.

With this amendment, Austin Energy is seeking authorization to use a portion of the Austin Energy Operating Fund ending fund balance as a funding resource. In prior years, Austin Energy has experienced positive operating results due to revenues higher than estimated and lower than anticipated operating expenditures, thus resulting in a positive ending balance. Although Fiscal Year 2010-2011 Austin Energy Operating Fund shows a deficiency of total available funds over total requirements, there is sufficient ending balance to fund this amendment.

DRAFT

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: POWER SUPPLY, INC.**

AGENDA DATE: 05/26/2011

SUBJECT: Authorize award and execution of a 12-month requirements supply contract with **POWER SUPPLY, INC.**, Austin, TX for the purchase of 138 kV Potential Transformers for Austin Energy in an estimated amount not to exceed \$197,400, with four 12-month extension options in an estimated amount not to exceed \$197,400 per extension option, for a total estimated contract amount not to exceed \$987,000.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$13,160 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy and funding in the amount of \$157,920 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding for the remaining eight months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: A fiscal note is required.

FOR MORE INFORMATION CONTACT: Gage Loots, Buyer II/512-322-6118

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 04/18/2011.

PURCHASING: Lowest bid of three bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for the purchase of potential transformers for Austin Energy as required to complete upgrades and replace outdated equipment at various substations. Potential transformers convert larger transmission voltages to lower voltages so that protective relays and other control devices can function properly by providing transient and steady-state voltage measurements necessary to operate control and protection equipment. The number of potential transformers at each substation depends on the size and location of the substation and will be installed on an as-needed basis.

MBE/WBE solicited: 2/1

MBE/WBE bid: 0/0

BID TABULATION

IFB No. GAL0006REBID2
138kV Potential Transformers
(1 – line item, estimated annual quantity - 21)

<u>Vendor</u> <u>months</u>	<u>Unit Price</u>	<u>Total Bid Amount – 12</u>
Power Supply, Inc. Austin, TX	\$9,400.00	\$197,400.00
Trench Limited Scarborough, Ontario, Canada	\$9,436.98	\$198,176.58
ALSTOM Grid Inc. Waynesboro, GA	\$9,700.00	\$203,700.00

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. One-hundred fourteen notices were sent, including two MBEs and one WBE. Three bids were received, with no response from the MBE/WBEs.
- c. This is the first purchase of its type with these specifications; therefore, there is no comparable pricing history available.

APPROVAL JUSTIFICATION

- a. Lowest bid received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: ALLKIOSK

AGENDA DATE: 05/26/2011

SUBJECT: Authorize award, negotiation and execution of a contract with **ALLKIOSK**, Mesa, AZ for the purchase of two bill payment terminals for Austin Energy in an estimated amount not to exceed \$250,000.

AMOUNT AND SOURCE OF FUNDING: Funding is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy.

FISCAL NOTE: A fiscal note is required.

FOR MORE INFORMATION CONTACT: Terry Nicholson, Senior Buyer / 512-322-6586

BOARD AND COMMISSION ACTION: To be reviewed by the EUC on 04/18/2011.

PURCHASING: Best evaluated proposal of four proposals received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract will provide Austin Energy (AE) with two bill payment terminals (kiosks), one to be located at the new walk-in payment center at 8716 Research Blvd (near Ohlen Road) and the other to be located at the Rosewood-Zaragosa walk-in payment center at 2800 Rosewood Avenue. The kiosks are stand-alone electronic terminals that will allow City of Austin utility customers to pay bills and manage their accounts by accessing the information through an interactive keypad and display system on the terminal. The vendor will provide all hardware, software and support required to handle and document all transactions according to AE's requirements. The kiosks will provide City of Austin utility customers with an additional payment method along with current methods such as the postal service, existing walk-in pay stations at retail locations, and electronic bill payments. The kiosks will provide utility customers with convenient after-hour payment options while maintaining same day payment posting to the billing system.

An Austin Energy team with expertise in this area evaluated the proposals and chose this proposal as the best. The criteria evaluated included system concept and solution proposed, experience and qualifications of personnel, proposed schedule, financial viability/stability and total evaluated cost.

MBE/WBE solicited: 11/8

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Three hundred seventeen notices were sent including 11 MBEs and 8 WBEs. Four proposals were received with no response from the MBE/WBE's.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.





RFP TVN0012
BILL PAYMENT TERMINALS

Evaluation Criteria		Total Points	AllKiosk.com Mesa, AZ	US Payments* Tulsa, OK	Adcomp Systems** Carrollton, TX	CSC Systems*** Omaha, NE
1	System Concept and Solutions Proposed (Grasp of the requirement and its solution(s), responsiveness to terms and conditions, completeness and thoroughness of the technical data and documentation.)	30	24.9			
2	Demonstrated Applicable Experience and Personnel Qualifications	25	19.7			
3	Schedule	10	9.1			
4	Financial viability/stability	10	4.0			
5	Total Evaluated Cost	25	25.0			
Grand Total Score		100	82.7			

* Non-responsive, offered alternate proposal which did not meet minimum specification requirements

** Non-responsive, failed to provide information required by solicitation for evaluation

*** Non-responsive, failed to meet minimum qualifications

<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> <div style="display: flex; justify-content: space-around;">     </div>			
RCA - Purchasing	Austin City Council	Item ID:	5339
Meeting Date:	April 21, 2011		
Department:	Purchasing		
Subject			
Authorize award, negotiation and execution of Amendment No. 10 to a contract with IBM Corporation, Cleveland, OH, to increase the contract amount for the purchase of software, billing and related services for the City's utilities in an amount not to exceed \$4,600,000 for a revised total estimated contract amount not to exceed \$57,339,728.			
Amount and Source of Funding			
Funding in the amount of \$4,600,000 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding for the original contract period and extension options for the remaining software maintenance and active hosting services following implementation of the system is contingent upon available funding in future budgets.			
Fiscal Note			
A fiscal note is required.			
Purchasing Language:	Contract Amendment		
Prior Council Action:	April 30, 2009 - Approved 96-month contract.		
For More Information:	Art Acuña, Senior Buyer/512-322-6307		
Boards and Commission Action:	To be Reviewed by Electric Utility Commission on April 18, 2011		
MBE / WBE:	This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) with 15.18% MBE and 20.87% WBE Subcontractor Participation.		
Related Items:			
Additional Backup Information			
<p>This RCA is for a contract amendment for the 96-month Customer Care and Billing (CC&B) contract currently being implemented. CC&B will be used by the City to generate utility bills for 420,000 customers beginning in October 2011.</p> <p>On April 30, 2009, Council authorized an award to allow negotiation and purchase of a replacement billing system for the City's existing, outdated Customer Information System (CIS) through contracting with IBM Corp. CC&B will provide the City with a single service to generate utility bills for customers of the City's utilities, including Austin Energy, Austin Water Utility, Public Works, Watershed Protection and Solid Waste Services. As the contract implementation proceeded, it became apparent that the original April 2011 go-live date was not possible if the new system were to include all of the desired functionality, including functionality not contemplated in the original procurement and contract. Additionally, both IBM and the City have made significant adjustments to address issues</p>			

that resulted in the delay, but completion of the implementation requires additional time and funding. Both IBM and the City agree that October 2011 is a reasonable go-live target for the new CC&B, and the funding request of \$4.6 million sufficient to complete the implementation.

MBE/WBE Summary:

Goals originally set on the project were 14% MBE and 15% WBE

Participation goals stated in the original approved compliance plan were 12% MBE and 12% MBE with good faith effort.

Total participation to date:

63.95% (\$15.9M) Non M/WBE Prime, 15.18% (\$3.7M) MBE and 20.87% (\$5.2M) WBE

Contract Summary

Action	Description	Amount
Original Contract awarded 04/30/09	Original 96-month contract	\$ 58,500,000.00
Amendment No. 1	Scope Reconciliation per Completion of the Assessment Phase	\$ 0.00
Amendment No. 2	Transfer of Contract Authority for Oracle & SAP Support and Maintenance.	-\$5,760,272.00
Amendment No. 2	Addition of Dedicated T3 line	\$0.00
Amendment No. 3	Fair and Accurate Credit Transactions Act (FACTA) requirements	\$ 0.00
Amendment No. 4	Correction to Amendment Three	\$ 0.00
Amendment No. 5	Change Architecture to Development and Test Environments	\$0.00
Amendment No. 6	Infrastructure Project Management Services	\$ 0.00
Amendment No. 7	Replace Master Framework Implement Scope of Work (SOW) with Corrected Implement SOW Payment Disbursement Schedule	\$ 0.00
Amendment No. 8	Provide Professional Services that add Solution Functionality	\$ 0.00
Amendment No. 9	Provide Additional Functionality after Go-Live	\$ 0.00
Proposed Amendment No. 10	Go-Live extension and SOW modification	\$4,600,000.00
Total Revised Contract Amount		\$57,339,728.00

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION****AGENDA DATE: 04/28/2011**

SUBJECT: Approve an ordinance authorizing acceptance of \$561,871 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through a Federal Assistance Sub-Recipient Agreement between Chrysler Group LLC and Austin Energy, and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$561,871 for research and testing of Plug-In Electric Vehicles.

AMOUNT & SOURCE OF FUNDING: Funding is available from the U.S. Department of Energy. Austin Energy will fund an in-kind match in the amount of \$561,871 over a three-year period. Funding in the amount of \$171,624 is available in the Fiscal year 2010-2011 Capital Budget of Austin Energy. The remainder of Austin Energy's match is contingent upon future budgets.

FISCAL NOTE: A fiscal note is required.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on April 18, 2011 and the Resource Management Commission on April 19, 2011.

FOR MORE INFORMATION CONTACT: Austan Librach, Director, Emerging Transportation Technologies, 322-6351.

Under an award from the Department of Energy (DOE), Chrysler Group LLC is collaborating with utilities and research institutions across the United States, including Austin Energy and The University of Texas, to research and test Plug-In Electric Vehicles (PEVs) over a three-year period. The objective of this program is to demonstrate and evaluate advanced PEV technologies across a range of geographic, climatic, and operating environments to accelerate the production and market penetration of PEVs. With this agreement, Austin Energy will continue its research on vehicle-to-utility communications methodologies, equipment, and protocols.

Under this agreement, Chrysler will provide Austin Energy 14 plug-in hybrid Ram 1500 Crew Cab vehicles for the three-year term of the grant only, and 14 Level 2 charging stations which will remain Austin Energy's assets. The program will consist of two phases:

Phase 1: Austin Energy will install the charging stations and deploy the vehicles at selected Austin Energy fleet locations.

Phase 2: Austin Energy will: (a) Identify data parameters required for evaluating bi-directional power flow, ancillary services, and smart charging; (b) Develop and execute a plan for intelligent charging and energy storage; (c) Collaborate with the Electric Reliability Council of Texas (ERCOT, who has a separate grant under this program) to explore the potential for aggregation of PEVs to provide ancillary services to the bulk electric power grid; (d) Evaluate a potential

pilot project for PEV aggregation; and (e) Co-author, with ERCOT and UT Austin, a detailed report on PEV potential in ancillary services markets.

This effort will enhance Austin Energy's ability to implement a network of charging stations to support its existing PEV program and promote the City of Austin as a leader in PEV readiness.

The grant period is April 2011 to April 2014. The General Fund will not be required to contribute to this grant.

DRAFT

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF AMERICAN RECOVERY AND REINVESTMENT (ARRA) FUNDS FROM THE U.S. DEPARTEMENT OF ENERGY (DOE) THROUGH A FEDERAL ASSISTANCE SUB-RECIPIENT AGREEMENT BETWEEN CHRYSLER GROUP, LLC AND AUSTIN ENERGY AND AMENDING THE FISCAL YEAR 2010-2011 AUSTIN ENERGY OPERATING BUDGET SPECIAL REVENUE FUND OF ORDINANCE 20100913-002 TO APPROPRIATE SUCH FUNDS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The Council authorizes the acceptance of \$561,871 in funds provided by the U.S. Department of Energy (DOE) through a Federal Assistance Sub-Recipient Agreement between Chrysler Group, LLC and Austin Energy.

PART 2. The Council amends the 2010-2011 Austin Energy Operating Budget Special Revenue Fund of ordinance 20100913-002 to appropriate \$561,871 for research and testing of Plug-in Electric Vehicles.

PART 3. This ordinance takes effect on May 11, 2011.

PASSED AND APPROVED

_____, 2011 § _____
 § _____
 § _____
 Lee Leffingwell
 Mayor

APPROVED: _____
 Karen Kennard
 City Attorney

ATTEST: _____
 Shirley A. Gentry
 City Clerk

**CITY OF AUSTIN – AUSTIN ENERGY
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 4/28/2011

SUBJECT: Approve issuance of a rebate to Samsung Austin Semiconductor for the installation of energy efficient equipment in an amount not to exceed \$200,000.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy, Conservation Rebates and Incentive Fund.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

FOR MORE INFORMATION CONTACT: Fred Yebra, P.E., Director, Energy Efficiency Services, at 482-5305 or Stephen Leinweber, Unit Manager, at 322-6056.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on April 18, 2011 and by the Resource Management Commission on April 19, 2011.

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to Samsung Austin Semiconductor in the amount of \$200,000 for the installation of both high and low temperature chillers, uninterruptible power supplies (UPSs), custom technology dynamic sag correctors (DSCs), cooling towers, premium efficiency motors, and variable frequency drives (VFDs) for the cooling towers, in accordance with the City of Austin's Commercial Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Energy Resource Plan, approved in December 2003 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Samsung Austin Semiconductor (SAS) is located at 12100 Samsung Blvd. in northeast Austin. The demand (kW) savings associated with the high efficiency equipment installed in this project is estimated at 953.3 kW, at a program cost of \$ 209.82 per kilowatt saved. The avoided kWh, estimated at 7,954,151 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 4,776 metric tons of Carbon Dioxide (CO₂), 3.01 metric tons of Sulfur Dioxide (SO₂), and 3.33 metric tons of Nitrogen Oxides (NOX).

In addition to the reduced air and toxic metals pollution, the project savings are equivalent to an estimated 10,723,649 vehicle miles traveled, the removal of 915 cars from our roadways, or the planting of 122,702 trees or 6,135 acres of forest in Austin's parks.



MEMORANDUM

TO: Members of the Electric Utility Commission (EUC)

FROM: Mark Dreyfus, Director, Regulatory & Government Affairs
Ann Little, Vice President, Finance & Corporate Services

DATE: April 14, 2011

SUBJECT: Rate Review Items for April 18, 2011 EUC Meeting

There are several rate review related items included in your briefing material for your April 18 meeting. This memo briefly describes each of those items.

Draft Resolution on Rate Review Process This draft resolution incorporates two items discussed at last month's EUC meeting. The proposed resolution will first repeal Council Resolution 971204-36, which required that production cost allocations be conducted using the Probably of Dispatch (POD) methodology. The draft resolution further describes the process that Austin Energy will follow in presenting its recommendations to the EUC and City Council, and it describes at a high level the EUC process for review and recommendation. The draft resolution was prepared based on the input and discussion from last month's EUC meeting.

Revised Schedule and Process for Review and Adoption of Rates At last month's meeting of the EUC, Austin Energy staff presented a version of this document describing a proposed process for review and adoption of rates. Austin Energy has revised the document consistent with the discussion at that meeting. Note that this proposed process document fills in much of the detail that is left unstated in the draft resolution for Council consideration.

Decision Point List from 1994 Rate Review In the discussion of the proposed process, Austin Energy is proposing to produce—in consultation with the EUC—a document that we are labeling a Decision Point List (or DPL). This DPL will list the major issues in play in the EUC process. It will include Austin Energy's proposal on those issues and the positions of parties. It would also be used to record the final recommendations of the EUC and report those issues to the Council. In the 1994 rate review, a similar document was prepared and forwarded to Council. Several of the pages from that document that relate to cost allocation and rate design are included in this packet.

Voting Record from 1994 Rate Review In the 1994 rate review, the EUC considered over 20 motions on a variety of related topics. Those votes were recorded by Ms. Fath and recently forwarded to Austin Energy staff. That document is included here for your review.

In addition to these documents and as discussed at your last meeting, Austin Energy will make a presentation at your April 18 meeting on the Revenue Requirement. We look forward to your discussion.

RESOLUTION NO. _____

WHEREAS maintaining the long-term financial strength and sustainability of Austin Energy is a critical priority of the City of Austin, and

WHEREAS Austin Energy's base electric charges were last adjusted in 1994, and

WHEREAS over the last 17 years Austin Energy has experienced significant changes in costs of materials and labor, system growth, and expansion of programs; and

WHEREAS Austin Energy's Five-year Forecast presented to the City in 2010 predicted the need to adjust its base electric charges; and

WHEREAS, the City Council desires that an adequate public process be held before the Electric Utility Commission that will result in a recommendation to the City Council regarding an adjustment of electric rates that will meet the operational needs of the electric utility and that are fair, just, and reasonable and equitably balanced among the various electric customer classes; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

1. Pursuant to City Code Section 2-1-143(B), the Electric Utility Commission ("EUC") shall establish and conduct a public review process to evaluate and analyze the City staff's recommendations regarding revised electric rates and a revised electric rate structure. The EUC shall establish a schedule and procedures governing the conduct of these meetings, to begin with the presentation of the staff Rate Analysis and Recommendations Report required by this resolution;
2. Council Resolution 971204-36, specifying the use of the Probability of Dispatch cost allocation methodology in City electric rate proceedings, is hereby rescinded;
3. The City Manager is directed to present a Rate Analysis and Recommendations Report meeting the requirements of City Code Section 2-5-45 to the EUC and the public at a specially called EUC meeting on or about September 1, 2011. The staff Rate Analysis and Recommendations Report shall include (1) a proposed cost of service; (2) proposed revenue requirements, customer classes, cost allocation methodologies, rate structures, and rates and charges; and (3) alternative methods that are commonly used in the electric industry for the allocation of power production costs among customer classes. The Report shall provide factual support, explanations, and justifications for the proposed revenue requirements, cost allocation methodologies, and rate structures. Following presentation of the Report, it shall be made readily available to the public for review, including by downloadable web format;

4. Advance public notice of not less than 14 calendar days shall be given prior to the specially called meeting for presentment of the Rate Analysis and Recommendations Report, which is to be accompanied by the meeting schedule and process established by the EUC for the public review process. In addition to the standard methods of providing public notice of Board and Commission meetings, notice shall be published in newspapers of general circulation in the Austin Energy service territory and on the Austin Energy website. Notice shall also be made by email to members of the Public Involvement Committee convened by staff and to known stakeholder participants. The EUC may set additional public meetings at its discretion with 7 calendar days advance public notice;
5. After receipt of the Rate Analysis and Recommendations Report, the EUC shall hold public meetings in accordance with the published schedule to analyze and evaluate the report's recommendations, to receive further presentations and information from city staff, and to receive public comment, presentations, and recommendations regarding the report. The EUC may recognize and designate stakeholder and rate class representatives for regular allotment of speaking and presentation time;
6. At each public meeting regarding the Rate Analysis and Recommendations Report, the Residential Rate Advisor retained by the city pursuant to Council approval on October 14, 2010 shall be afforded opportunity to make a presentation or provide written comment on behalf of residential ratepayers and shall be made available to respond to questions from members of the EUC;
7. The EUC shall complete its review process and provide its final recommendations to the City Council no later than the end of October of 2011, which shall include a list of issues considered by the EUC, the EUC's recommendations on each issue, and a summary of the comments made and positions taken by the Residential Rate Advisor and participating members of the public on each issue during the review process;
8. Following the EUC's issuance of its final recommendations to the City Council, the City Manager shall present his final Rate Analysis and Recommendations Report at a City Council work session;
9. Further proceedings regarding the proposed electric rates shall be held before the City Council as required by City Code Section 2-5-45.

Revised Proposed Schedule and Process for Review and Adoption of Rates Presented to the Electric Utility Commission for Review on April 18, 2011

This document, which is revised based on the discussion at the March 21, 2011 meeting of the Electric Utility Commission (EUC), accompanies the proposed Council Resolution Providing a Process for the Adoption of Rates. The proposed Council Resolution presents the process at a high level, while this document provides greater detail of the process.

Objectives of the Review Process

The process adopted by the City Council for review and approval of rates should recognize and promote the goals and objectives of Austin Energy and the City of Austin. The process will provide public transparency and involvement, allow for sufficient public vetting of the issues, provide for adequate due process, and use wisely the time and resources of all involved—from the general public to the Council itself.

Schedule of EUC Briefings

Over the spring and summer of 2011, Austin Energy will present briefings at the regularly scheduled meetings of the EUC on key issues arising in the rate review, according to the following schedule:

March—Proposed Consolidated Rate Classes and Cost Allocation Alternatives (completed)

April—Preliminary Revenue Requirement

May—No rate review briefing so the EUC may receive the Five-Year Forecast

June—Preliminary Residential Rate Design

July—Preliminary Commercial and Industrial Rate Design

August—Outstanding Issues and Organizational Discussion for EUC's Formal Review

Each meeting will provide an opportunity for public comment on the presentation topic.

Release of AE Recommendations for Public Review

Over the course of the summer, Austin Energy staff will assemble its recommendations into a detailed Rate Analysis and Recommendations Report for release to the EUC and the public. The Rate Analysis and Recommendations Report will include the detailed cost of service analysis, including cost allocation, the adjusted revenue requirement, and rate design proposals. Accompanying the report, Austin Energy will submit a summary of input discussed at the meetings of the Public Involvement Committee and the final report of the Residential Rate Advisor. Austin Energy will also provide the Commission with a draft "Decision Point List."

The Decision Point List is a list of key issues for consideration by the EUC in its review, which will be developed with input from the Commission over the summer and may be expanded during the course of the EUC process. The Decision Point List will include Austin Energy's recommendations and the positions of participants in the EUC process. The Decision Point List can serve as a framework for discussion of issues through the EUC process and will ultimately memorialize the decisions/recommendations of the EUC for submission to the Council. (A sample of a Decision Point List from the 1994 rate review is included in this package.)

Austin Energy will host a special meeting of the Electric Utility Commission on September 1st, to which the public and the members of the Public Involvement Committee will be invited. At that meeting, Austin Energy staff will present the Rate Analysis and Recommendations Report. Following that meeting, the full Rate Analysis and Recommendations Report will be made available to the public for review.

Public Notice

Austin Energy will provide formal, public notice of the meeting in September to release the Rate Analysis and Recommendations Report, the schedule of meetings of the EUC and Council, and the process for public participation. Notice will be published in newspapers having general circulation throughout Austin Energy's service territory and on the Austin Energy website. Austin Energy will also notify, via e-mail, members of the Public Involvement Committee and other individuals and organizations that have engaged with Austin Energy on these issues.

EUC Review and Decision Schedule

The EUC will hold four meetings—and additional meetings at its discretion—to analyze and make recommendations to the Council on Austin Energy's Rate Analysis and Recommendations Report. The meetings will cover revenue requirement, cost allocation, and rate design, among other issues. The EUC will convene as follows:

September 1—special meeting to receive and review AE's Rate Analysis and Recommendations Report.

September 19—regular meeting of the EUC.

October 3—special meeting of the EUC.

October 17—regular meeting of the EUC.

The Commission review will provide three alternatives for citizen comment. The first alternative is the existing process for citizens' communications, which allows any member of the community to make a statement before the Commission. A second alternative will allow any citizen to submit comments to the rate review website. The third option will allow a customer to request to provide formal comments to the Commission on issues arising in the rate review.

These comments can take the form of oral and/or written presentations. Following public notice as described above, the Commission will at its September meeting, review these requests, and if the number of commentors is such that the process could become unwieldy, the Commission will have the opportunity to align commentors with common class interests for allocation of speaking time.

At each meeting the EUC will receive briefings from Austin Energy and its consultants on the topics posted for that meeting. Austin Energy's briefings will be made available to the public in advance to allow the parties providing comments a reasonable amount of time to prepare their comments on AE's recommendations. The participating customers will then have the opportunity to make presentations or submit written comments. The oral briefings will allow customers the opportunity to present their recommendations without the burden associated with a full legal proceeding requiring testimony and cross examination of witnesses, while allowing for adequate opportunity for involvement. The commissioners will have the opportunity to ask questions of Austin Energy staff and participating customers. After the customer comments are heard, Austin Energy staff will respond to issues raised and clarify questions from participants or the Commission. This process will allow the EUC to hear both an explanation of Austin Energy's recommendations and receive input from the community in order to fairly weigh the issues at play and the different perspectives on those issues.

At each EUC meeting, time will be reserved for the Residential Rate Advisor to make a presentation or present comments from the perspective of residential consumers on the topics at issue for that meeting. The commissioners will have an opportunity to ask questions of the Residential Rate Advisor, and Austin Energy staff will be available to respond to issues raised and clarify questions from the Residential Rate Advisor or the Commission.

Final Recommendations of the EUC

At its regularly scheduled meeting on October 17, 2011—or at a meeting designated by the EUC—the Commission will complete its recommendations to the Council. The recommendations to Council will be memorialized in the “Decision Point List.” Austin Energy will assist the EUC in forwarding the final approved Decision Point List, as well as any other documents approved by the Commission to the City Council for its consideration.

City Council Review and Decision Schedule

Austin Energy's Rate Analysis and Recommendations Report—as may be revised following the EUC process—and the EUC recommendations will be presented to the City Council during at least one work session to be scheduled following completion of the EUC review. This will allow the Council time to address the rate request at its regularly scheduled meetings in November and December. The Council may take final action on the rate request at its December 15, 2011 meeting or at a meeting date set by the Council. Rates as adopted by the Council will be effective on or after January 2, 2012.

**REVENUE ALLOCATION &
RATE DESIGN ISSUES**

ISSUE	CONSUMER ADVOCATE	OTHER PARTIES	EUD	EUC
Maximum Increase	No rate class should receive more than 115% of the system base increase.	<p>FAIR: "Those classes producing RRORs well below 100 should receive a base rate increase which is 1.5 times the system average. This will apply to the residential and nightwatchman classes."</p> <p>HEB: Those classes that are significantly below cost of service should receive 150% of the system base rate increase.</p> <p>State of Texas: "The Electric Utility Commission should recommend a distribution of revenues between classes based on a maximum class increase of 125 percent of the system average."</p>	With the exception of Nightwatchman, EUD limited the maximum increase to 125 % of the system-wide increase.	With the exception of the State accounts and nightwatchman, classes were limited to an increase of 125% of the system average increase. Nightwatchman was targeted to recover 80% of their allocated costs. The State accounts, with the exception of the State LPS class were targeted to 100% of cost of service.
Minimum Increase	No rate class should receive less than 50% of the system base rate increase or an overall rate decrease (including fuel).			The EUC discussed, but did not adopt a minimum increase.
Fuel Factor			As part of its revenue requirement review, the EUC recommended that \$5.2 million for STP legal expenses and \$950,000 for ECSD be recovered the fuel factor rather than base revenues. These costs may be allocated solely on an energy basis or allocated between primary and secondary voltage levels in a manner that would duplicate the results of the cost of service study.	The EUC recommended that these costs be allocated strictly on an energy basis.
Customer Charge	The Consumer Advocate recommended a \$4.50 customer charge.	Gray Panthers: Replace the Customer charge with a minimum bill.	The EUD recommended an increase in the customer charge from \$3, the lowest in the state among major utilities, to \$6.	The EUC recommended a \$6 customer charge.
Energy Blocks	Reduce the 1st block from 500 kWh to 400 and further reduce the differential between the 1st and 2nd blocks from the EUD proposal.	Gray Panthers: Maintain the price differentials between the small user block and the winter and summer tail blocks.	Maintain the current 500 kWh block while reducing the winter / summer differential and the 1st and 2nd block differential.	The EUC voted to maintain the 500 kWh block.

REVENUE ALLOCATION &
RATE DESIGN ISSUES

ISSUE	CONSUMER ADVOCATE	OTHER PARTIES	EUD	EUC
Lifeline	The Consumer Advocate supports the EUD lifeline proposal although the savings provided are reduced because of the lower customer charge.	Gray Panthers: Expand the program from the EUD proposal to a percentage of income approach as used by Texas Utilities.	The EUD has proposed to waive the customer charge for residential customers that are currently participating in one of several specified programs.	The EUC adopted the EUD proposal.
Residential T.O.U.			EUD has proposed an experimental residential time-of-use program.	The EUC adopted the EUD proposal.
City/State Class Increases	These classes should receive a portion of the increase.	FAIR: City and State accounts should maintain their current Relative Rate of Return.	The City has the option of taking free power while the State may opt to purchase power from LCRA. In order to maintain the revenue flow from these classes, it may be necessary to exempt them from the increase.	The EUC proposal gave both the City of Austin and State of Texas accounts significant rate increases.

COST ALLOCATION ISSUES

ISSUE	CONSUMER ADVOCATE	OTHER PARTIES	EUD	EUC
Production Demand Allocation	Proposed Probability of Dispatch (POD) on a historic cost basis. Indicated that POD on a current cost basis would be acceptable.	FAIR - Accepted the staff position, A&E 4CP. Goodwin - Recommended that the utility adopt a marginal price base allocation method - if not adopted, supported POD. The State of Texas and HEB Grocery Co. also supported A&E 4CP.	A&E 4CP is a widely accepted Production Allocation method that has been accepted by the Texas Public Utility Commission (PUC) on numerous occasions. This method recognizes the importance of the summer season in determining future generation requirements and the development of the current system.	Adopted POD on a current cost basis.
Minimum Distribution	FERC accounts 364 - 368 should be classified as demand. There are too many questionable assumptions, the data is not reliable, and there is not universal agreement that a portion of these costs are customer-related. Also, the PUC no longer shows a strong preference for a Minimum System Analysis.	FAIR, HEB, and the State of Texas support the minimum distribution system analysis. The Gray Panthers and Goodwin both oppose.	The Minimum Distribution System Analysis is a fair recognition that a portion of the distribution costs are customer-related. The results are similar to those produced by both consultants (DUCI and Drazen-Brubaker) involved in the 1990-91 review.	The EUC did not adopt the Minimum System Analysis for the classification of distribution costs.
Environmental & Conservation Services Dept.	These costs should be classified as 50% demand and 50% energy. Conservation activities are intended to reduce the use of energy throughout the year.	Gray Panthers - 100% to energy ("It is energy that is being conserved.")	The Demand classification is appropriate. Customers that are not receiving the rebates or incentives provided by this funding do not receive any significant benefits from the reduced energy consumption except to the degree that it defers the need for a new power resource.	The EUC adopted the Consumer Advocate's recommendation.
Customer Account Expense Classification	Customer collection expenses should be allocated by class revenues rather than the number of customers in a class.		The most appropriate basis for allocating collections expense would be based on late payment revenues - thus excluding classes that do not have a collection problem. Before a customer is a collections problem, they will be billed for a late payment.	The EUC adopted the Consumer Advocate's recommendation.
System Control & Load Dispatching	There is a consideration given to dispatching the generators on an economic basis to minimize fuel cost; to recognize this, 50% of FERC account 556 should be classified as energy.		The primary purpose of these costs are to meet the system's demand. Any other consideration is secondary. The energy component is recognized in other ways, such as through the fuel factor.	The EUC adopted the staff recommendation.

COST ALLOCATION ISSUES				
ISSUE	CONSUMER ADVOCATE	OTHER PARTIES	EUD	EUC
Fuel Inventories & Nuclear Fuel in Process	These costs will ultimately be recovered on an energy-basis through the fuel factor and should, therefore, be classified as energy-related.	Gray Panthers - All fuel inventory should be classified as energy-related.	Generally, fuel inventories are a fixed cost that should not be classified as a variable cost (energy). However, to recognize the dual nature of these items, the EUC directed the EUD to develop a method that classified a portion of these costs as energy.	The EUC adopted the Consumer Advocate's recommendation.
Deferred Plant	The Waste-to-Energy Plant was not designed to meet system peaks, but rather as a source of alternative fuel and therefore should be energy-related. Longhorn dam also was not designed to meet system demands and additionally was previously classified as energy. Consistency requires that Longhorn be classified as energy.		Generally, all generation facilities should be classified as demand. However, because Longhorn had previously been classified as energy, EUD will concur with that recommendation. Similarly, the Waste-to-Energy plant had previously been classified as demand and should remain so.	The EUC adopted the staff recommendation.
Customer Allocation	The Customer-Meter allocator is based on a marginal cost approach which allocates a disproportionate share of the cost on the residential class.		The EUD acknowledges the shortcomings of its current allocation method. Current accounting records do not provide the necessary information to develop an embedded cost allocation method. EUD has used the Allocation factors developed by the Consumer Advocate.	The EUC adopted the Consumer Advocate's allocation method.
Materials & Supplies	A portion of these costs should be classified as transmission. The remaining balance, associated with generating plants, should be allocated 50% on energy, and 50% on demand (allocated on 12CP).		Inventory associated with the power plants should be classified as 100% demand and allocated on the production demand allocation method.	The EUC adopted the staff recommendation.

BY SHUPPE
FATH

ELECTRIC UTILITY COMMISSION RECOMMENDATIONS

COST OF SERVICE, ETC. - August 26, 1994

Motion	Result	Merle Shuppe	Teresa Linda	Marilyn Cedric	Caroline Manuel	Neal
		Moden--Fath	Reel-----	Shaw-----	Jones-----	Grice-----
						LeGette-----
						Zuniga-----
						Kocure-----
1. Use Average & Excess 4CP to allocate Production (generation) costs (Zuniga/LeGette).	failed 3-6	no	no	no	no	yes
2. Use Probability of Dispatch (P.O.D.) based on historic costs and with no minimum distribution system to allocate Production costs (Fath/Moden)	failed 2-7	yes	yes	no	no	no
3. Use Probability of Dispatch based on current costs and with no minimum distribution system to allocate Production costs (Reel/Fath)	passed 6-3	yes	yes	yes	no	no
4. Approve Customer Charge of \$4.50 only for the Residential rate class (Fath/Moden)	failed 3-6	yes	yes	no	no	no
5. Approve Customer Charge of \$6.00 for Residential and General Service/State Non-Demand rate classes (Reel/LeGette)	passed 7-2	no	yes	yes	yes	yes
6. Create new Residential Lifeline rate class for ratepayers receiving staff-recommended federal, state and Travis County assistance to waive the \$6.00 Customer Charge and review this program after six months (Grice/Zuniga)	passed 8-1	no	yes	yes	yes	yes
7. Retain the first 500 KWH rate block for Residential customers (Fath/Grice)	passed 9-0	yes	yes	yes	yes	yes
8. Classify Fuel Inventories (coal and oil) and Nuclear Fuel in Process as energy (Moden/Fath)	passed 5-2-2	yes	yes	no	yes	abst.

EUC Agenda Item 15

EUC Agenda Item 15

Motion	Result	Merle Moden	Shudde Path	Teresa Reel	Linda Shaw	Marilyn Jones	Cedric Grice	Caroline LeGette	Manuel Zuniga	Neal Kocurek
9. Establish an experimental Residential Time of Use (T.O.U.) rate (Moden/LeGette)	passed 9-0	yes	yes	yes	yes	yes	yes	yes	yes	yes
10. Review Economic Development rates, and develop criteria to include small businesses and set up an annual review process on these rates (Reel/Path)	passed 8-1	no	yes	yes	yes	yes	yes	yes	yes	yes
11. Increase the Nightwatchman rate class rates to recover 80% of costs (Fath/Moden)	passed 9-0	yes	yes	yes	yes	yes	yes	yes	yes	yes
12. With the exception of Nightwatchman and four State rate classes, no class is to receive more than 125% of the system base rate increase (Moden/Grice)	passed 9-0	yes	yes	yes	yes	yes	yes	yes	yes	yes
13. Recover the lost revenues waived in the new Residential Lifeline rate class across the board from all rate classes except State, I.S.D. Demand and City classes (Fath/Reel)	passed 7-2	yes	yes	yes	yes	yes	no	yes	yes	no
14. Reduce the revenue requirement for I.S.D. Demand rate class by \$500,000 and recover this revenue ratably from the State L.P.S., Other City, and Street/Traffic rate classes (Zuniga/Grice)	passed 8-1	no	yes	yes	yes	yes	yes	yes	yes	yes
15. Beginning fiscal year 1995-96, create a separate rate class from Other City accounts for enterprise city accounts that do not receive General Fund Transfer funds (Zuniga/Moden)	passed 5-4	yes	yes	yes	yes	no	no	no	yes	no
16. Move State/BAPB L.P.S. rate class to cost as much as our previously adopted parameters allow (Fath/Moden)	failed 2-7	yes	yes	no	no	no	no	no	no	no

EUC Agenda Item 15

Motion	Result	Merle Moden	Shudde Path	Teresa Reel	Linda Shaw	Marilyn Jones	Cedric Grice	Caroline LeGette	Manuel Zuniga	Neal Kocurek
17. Accept staff recommendation on new loss factors to decrease fuel discount to primary service and increase fuel discount to secondary class customers (Moden/Reel)	passed 9-0	yes	yes	yes	yes	yes	yes	yes	yes	yes
18. In recovering STP Litigation and ECSD costs through fuel charges, allocate between primary and secondary classes per cost of service model rather than totally on an energy basis (Zuniga/LeGette)	failed 4-4-1	no	no	yes	no	no	yes	yes	yes	abst.
19. Classify ECSD costs as 50% energy and 50% demand (Path/Moden)	passed 5-3-1	yes	yes	yes	yes	no	yes	abst.	no	no
20. Accept recommendation of Consumer Advocate to allocate Customer Account collection expense to each rate class by class revenues rather than by number of customers per class (Moden/Path)	passed 8-0-1	yes	yes	yes	yes	yes	abst.	yes	yes	yes
21. Accept staff recommendations to: classify System Control Load Dispatching costs (FERC 556) as demand; for Deferred Plant costs, classify Longhorn Dam as energy and Waste-to-Energy plant as demand; allocate Customer Costs per DUCI's method for Materials & Supplies costs; classify transmission/distribution inventory as transmission and classify generating plant inventory as demand (LeGette/Grice)	passed 8-1	no	yes	yes	yes	yes	yes	yes	yes	yes
22. Approve staff's proposed revisions to Service Rules and Regulations (Moden/LeGette)	passed 9-0	yes	yes	yes	yes	yes	yes	yes	yes	yes
23. Thanks to John Moore and entire staff for all assistance given to EUC in this lengthy process (Moden/Path)	passed 9-0	yes	yes	yes	yes	yes	yes	yes	yes	yes

AUSTIN ENERGY
FY 2011 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

	February 2011 Year to Date Actual	February 2011 Year to Date Budget	Variance	Percent
REVENUES				
Service Area Base Revenue	\$ 223,922	\$ 215,847	\$ 8,075	3.7%
Bilateral & Ancillary Service Sales	3,691	9,375	(5,684)	-60.6%
Transmission Service Revenue	25,420	23,852	1,568	6.6%
Transmission Rider	4,598	3,010	1,588	52.8%
Miscellaneous Revenue	15,949	14,853	1,096	7.4%
Interest Income	2,978	2,682	296	11.0%
Total Operating Revenue Without Fuel Revenue	276,558	269,619	6,939	2.6%
Fuel & Green Choice Revenue	150,857	183,246	(32,389)	-17.7%
Total Operating Revenue	427,415	452,865	(25,450)	-5.6%
OPERATING REQUIREMENTS				
Fuel and Green Power Expense	150,886	182,146	31,260	17.2%
Department O&M Without Fuel				
Department O&M	75,888	85,985	10,097	11.7%
Transmission Service Expense	28,638	27,487	(1,151)	-4.2%
South Texas Project O&M	22,934	24,566	1,632	6.6%
Fayette Power Project O&M	14,225	14,332	107	0.7%
Call Center	10,484	13,958	3,474	24.9%
Energy Conservation Rebates	4,296	4,620	324	7.0%
Bad Debt Expense	1,302	1,262	(40)	-3.2%
Administrative Support Transfer	6,329	6,329	0	0.0%
Total Operating O&M Without Fuel	164,096	178,539	14,443	8.1%
Total Operating Requirements	314,982	360,685	45,703	12.7%
DEBT SERVICE REQUIREMENTS				
Revenue Bond & Other Obligations	56,099	55,953	(146)	-0.3%
Total Debt Service Requirements	56,099	55,953	(146)	-0.3%
TRANSFERS/USES OF COVERAGE				
General Fund Transfer	51,500	51,500	0	0.0%
Electric CIP Transfer	30,840	30,840	0	0.0%
Economic Incentive Fund Transfer	316	316	0	0.0%
Total Transfers	82,656	82,656	0	0.0%
Total Requirements Without Encumbrances	453,737	499,294	45,557	9.1%
Total Encumbrances	15,468	15,468	0	0.0%
Total Requirements	469,205	514,762	45,557	8.9%
CHANGE TO BEGINNING BALANCE	\$ (41,791)	\$ (61,897)	\$ 20,107	32.5%

ELECTRIC UTILITY COMMISSION

Tentative Schedule of Upcoming Briefings and Reports

In addition to Financial (Jan-Oct), Procurements, and DPA/Disconnection (May-Sept) Reports

APRIL 18, 2011

- Update on Rate Redesign Process (Weis, Little)
- Fuel Hedging Program – Exec Session briefing (Sweeney)

MAY 16, 2011

- Texas Nodal Market Implementation (Sweeney)
- FY 2012-2016 Financial Forecast and FY 2012 Budget work session (Hart)

JUNE 20, 2011

- Update on Rate Redesign Process (Weis, Little, Dreyfus)
- FY 2012 Budget Work Session (Hart)
- Power Factor (Rabago)
- Report on M/WBE Goals (Purchasing Dept; emailed)

JULY 18, 2011

- Update on Rate Redesign Process (Weis, Little, Dreyfus)

AUGUST 15, 2011

- FY 2011-2012 Budget Presentation, Action (Hart)
- Update on Rate Redesign Process (Weis, Little, Dreyfus)

SEPTEMBER 19, 2011

- Update on Rate Redesign Process (Weis, Little, Dreyfus)
- Report on M/WBE Goals (Purchasing Dept; emailed)

OCTOBER 17, 2011

- Election of Officers
- Update on Rate Redesign Process (Weis, Little, Dreyfus)

NOVEMBER 14, 2011

- Update on Rate Redesign Process (Weis, Little, Dreyfus)
- Adopt meeting schedule

DECEMBER 19, 2011

- Update on Rate Redesign Process (Weis, Little, Dreyfus)
- Report on M/WBE Goals (Purchasing Dept; emailed)

UPCOMING PROCUREMENTS BY AUSTIN ENERGY						Purchasing Department Report • Electric Utility Commission • April 18, 2011	
	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION		
1	Temporary Staffing Services	\$4,500,000/yr	Customer Care	May	Temporary staffing services for personnel for inbound customer service representatives for the AE Customer Service Center and Austin 3-1-1		
2	Rental of Back-up Equipment as needed	\$182,000/yr	On-Site Energy Resources	June	Annual agreement for rental of back-up equipment on an as-needed basis including chillers, boilers and generators for both downtown Chiller Plants, Mueller, and Domain		
3	Circuit Switchers	\$825,000	Electric Service Delivery	June	Master Agreement for the purchase of 145kV circuit switchers		
4	Stormwater Pond Maintenance	\$150,000/yr	Environmental Care & Protection	June	Annual agreement for maintenance and repair to ensure stormwater ponds owned, operated by, or affecting AE are in compliance with environmental criteria and regulations		
5	Switch Gear	\$1,000,000	Electric Service Delivery/Finance	June	Master Agreement for the purchase of 3-Phase deadfront switch gear		
6	Asbestos Inspection and Air Monitoring Services	\$250,000/yr	Environmental Care & Protection	June	Master Agreement for a contractor to provide asbestos inspection and air monitoring for lead, mold, etc., on an as-needed basis		
7	Gas Turbine Maintenance	\$16M over 6 years	Power Supply & Market Operations	June	Master Agreement for maintenance Services for AE Gas Turbines at Decker and Sand Hill		
8	Engine Generator	\$1,000,000	Distributed Energy Services	June	Generator for the Hornsby Bend Biogas project, funded by Federal Grant		
9	Battery Banks	\$175,000/yr	Electric Service Delivery	June	Master Agreement for the purchase of 130V Battery Banks		
10	Forklift Lease Agreement	\$136,000/yr	Electric Service Delivery/Finance	June	Master Agreement to provide AE with forklifts; total of seven forklifts for various AE locations		
11	Service Agreement for Sand Hill Unit #5A Combined Cycle	\$5,000,000/yr	Power Supply & Market Operations	June	Agreement for scheduled, corrective and predictive maintenance, remote monitoring and any required upgrades for the combined cycle turbine at Sand Hill		